

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF KENTUCKY)
UTILITIES COMPANY FOR AN ADJUSTMENT)
OF ITS ELECTRIC RATES, A CERTIFICATE OF)
PUBLIC CONVENIENCE AND NECESSITY TO)
DEPLOY ADVANCED METERING)
INFRASTRUCTURE, APPROVAL OF CERTAIN)
REGULATORY AND ACCOUNTING)
TREATMENTS AND ESTABLISHMENT OF)
A ONE YEAR SUR-CREDIT)

Case No. 2020-00349

And

ELECTRONIC APPLICATION OF LOUISVILLE)
GAS AND ELECTRIC COMPANY FOR AN)
ADJUSTMENT OF ITS ELECTRIC AND GAS)
RATES, A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY TO DEPLOY)
ADVANCED METERING INFRASTRUCTURE,)
APPROVAL OF CERTAIN REGULATORY AND)
ACCOUNTING TREATMENTS AND)
ESTABLISHMENT OF A ONE YEAR SUR-CREDIT)

Case No. 2020-00350

**SUPPLEMENTAL FILING OF EXHIBITS TO THE DIRECT TESTIMONY OF JAMES
OWEN ON BEHALF OF JOINT INTERVENORS**

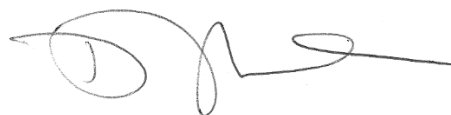
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Mountain Association, Kentuckians For
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Energy Society In Case No. 2020-00349 and

Metropolitan Housing Coalition,
Kentuckians for the Commonwealth, and
Kentucky Solar Energy Society in Case No.
2020-00350

Come the Joint Intervenors, by counsel, and file the attached Schedules JO-1 and JO-2 which were referenced in the Direct Testimony of James Owen which was filed in both the LG&E and KU cases, but through inadvertence of counsel were not attached to that testimony.

Respectfully submitted,



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2020-00350

Certificate of Service

This is to certify that the electronic version of the foregoing Supplemental Filing Of Exhibits To The Direct Testimony of James Owen On Behalf Of Joint Intervenors is a true and accurate copy of the same document that will be filed in paper medium; that the electronic filing has been transmitted to the Commission on March 8, 2021; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that in accordance with the March 16, 2020 Commission Order in Case No. 2020-00085 an original and

ten copies in paper medium of this filing will not be mailed until after the lifting of the current state of emergency.

A handwritten signature in black ink, consisting of a large, stylized 'T' followed by a series of loops and a horizontal line extending to the right.

Tom FitzGerald

Attachment JO-1 To Direct Testimony of James Owen

**CASE PARTICIPATION OF
JAMES OWEN**

<u>Date</u>	<u>Proceeding</u>	<u>Docket No.</u>	<u>On Behalf of:</u>	<u>Issues</u>
10/20/2017	In the Matter of a Working Case to Explore Emerging Issues in Utility Regulation	EW-2017-0245	Renew Missouri Advocates	Comments: Distributed Energy Resources
2/7/2018	In the Matter of the Application of The Empire District Electric Company for Approval of Its Customer Savings Plan	EO-2018-0092	Renew Missouri Advocates	Rebuttal: Customer savings plan, wind generation, Asbury retirement, federal tax changes
Rebuttal 7/27/2018 Surrebuttal (9/4/2018)	In the Matter of KCP&L Greater Missouri Operations Company's Request for Authority to Implement a General Rate Increase for Electric Service In the Matter of Kansas City Power & Light Company's Request for Authority to Implement a General Rate Increase for Electric Service	ER-2018-0145/ER-2018-0146	Renew Missouri Advocates	Rebuttal: Demand Response Program Surrebuttal: Demand Response Program
6/8/2018	In the Matter of the Application of Union Electric	ET-2018-0063	Renew Missouri Advocates	Surrebuttal: Eligibility parameters, wind generation

	Company d/b/a Ameren Missouri for Approval of 2017 Green Tariff			
9/17/2018	In the Matter of Union Electric Company d/b/a Ameren Missouri's 3rd Filing to Implement Regulatory Changes in Furtherance of Energy Efficiency as Allowed by MEEIA	EO-2018-0211	Renew Missouri Advocates	Surrebuttal: Statutory Requirements of MEEIA
9/28/2018	In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity Authorizing it to Construct a Wind Generation Facility	EA-2018-0202	Renew Missouri Advocates	Surrebuttal: Second Non-unanimous Stipulation and Agreement; Need for the project; Conservation conditions
11/16/2018	In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for	ET-2018-0132	Renew Missouri Advocates	Surrebuttal: Charge Ahead Programs

	Approval of Efficient Electrification Program			
1/15/2019	In the Matter of a Workshop Docket to Explore the Ratemaking Process	AW-2019-0127	Renew Missouri Advocates	Comments: Ratemaking Process
1/22/2019	In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Convenience and Necessity Authorizing it to Construct a Wind Generation Facility	EA-2019-0021	Renew Missouri Advocates	Surrebuttal: Conservation conditions; Tax revenue; Benefits of wind generation
1/28/2019 9/16/2019	In the Matter of Kansas City Power & Light Company's Notice of Intent to File an Application for Authority to Establish a Demand-Side Programs Investment Mechanism	EO-2019-0132	Renew Missouri Advocates	Rebuttal: PAYS Program Surrebuttal: Energy Efficiency Policy; Additional programs
3/5/2019	In the Matter of the Application of The Empire	EA-2019-0010	Renew Missouri Advocates	Surrebuttal: Benefits of wind generation;

	District Electric Company for Certificates of Convenience and Necessity Related to Wind Generation Facilities			Conservation conditions; OPC's CCN standard
3/27/2019	In the Matter of the Joint Application of Invenergy Transmission LLC, Invenergy Investment Company LLC, Grain Belt Express Clean Line LLC and Grain Belt Express Holding LLC for an Order Approving the Acquisition by Invenergy Transmission LLC of Grain Belt Express Clean Line LLC	EM-2019-0150	Renew Missouri Advocates	Rebuttal: Commission standard; Benefits of transaction
7/15/2019	In the Matter of the Application of Union Electric Company d/b/a Ameren Missouri for Permission and Approval and a Certificate of Public Convenience and Necessity	EA-2019-0181	Renew Missouri Advocates	Rebuttal: Benefits of wind generation

	Under 4 CSR 240-3.105			
10/7/2020	Electronic Application of Kentucky Power Company for (1) A General Adjustment of its Rates for Electric; (2) Approval of Tariffs and Riders; (3) Approval of Accounting Practices to Establish Regulatory Assets and Liabilities; (4) Approval of a Certificate of Public Convenience and Necessity; and 5) All Other Required Approvals and Relief	KPSC Case No. 2020-00174	Mountain Association, Kentuckians For The Commonwealth, and the Kentucky Solar Energy Association	Rebuttal: AMI meters, Net-metering, Energy Efficiency Programs, PAYS®, Economic Impacts, Rate design, Customer charge

Attachment JO-2 To Direct Testimony of James Owen

KENTUCKY UTILITIES COMPANY

P.S.C. KY. No. _____ Original Sheet No. _____

Cancelling P.S.C. KY. No. _____ Sheet No. _____

<p>PAY AS YOU SAVE® ON-BILL PROGRAM (PAYS®)</p>

- 1 **Eligibility:** Eligible on an optional and voluntary basis to any customer who takes service under any rate schedule for energy efficiency improvements (upgrades) where the utility provides electric service to the structure. It shall not be a requirement that the structure be all-electric.

- 2 **Participation:** To participate in the Program, a customer must: 1) request from the utility an analysis of cost-effective upgrades, 2) agree to the terms of the cost-effectiveness analysis fee as described in Section 3.4, and 3) sign the Efficiency Upgrade Agreement that defines customer benefits and obligations, and implement any project that does not require an upfront payment from the customer as described in Section 3.3.
 - 2.1 **Ownership:** If the customer is not the building owner, the building owner must sign an Owner Agreement, agreeing to not remove or damage the upgrades, to maintain them, and to provide notice of the benefits and obligations associated with the upgrades at the location to any customer before their rental of the property.
 - 2.2 **Notice:** The owner of the location must agree in writing as part of the Efficiency Upgrade Agreement (if the Owner is the customer) or Owners Agreement that they agree to a Notice of the tariffed benefits and obligations attached to their property records. Failure to obtain the signature of a successor customer who is renting the premises on Notice form or a purchaser in jurisdictions in which the customer or utility is not permitted attach the Notice to the property records, indicating that the successor customer received notice will constitute the owner's acceptance of consequential damages and permission for a tenant or purchaser to break their lease or sales agreement without penalty.

- 3 **Energy Efficiency Plans:** The utility will have its Program Operator or approved energy efficiency contractor perform a cost-effectiveness analysis and prepare an Energy Efficiency Plan (Plan) identifying recommended upgrades to improve energy efficiency and lower power costs, including those that require no customer copayment.
 - 3.1 **Incentive Payment:** The utility may reduce the upgrade cost with an incentive payment for program participation that is less than or equal to the value of the upgrades to the utility.

Date of Issue: _____
Issued By: _____

Date Effective: _____
Title: _____

KENTUCKY UTILITIES COMPANY

P.S.C. KY. No. _____ Original Sheet No. _____

Cancelling P.S.C. KY. No. _____ Sheet No. _____

<p>PAY AS YOU SAVE® ON-BILL PROGRAM (PAYS®)</p>

- 3.2 **Net Savings:** Recommended upgrades shall be limited to those where the annual Program Service Charges (Service Charges), including program fees and the utility’s cost for capital, are no greater than 80% of the estimated annual benefit from reduction to customers’ annual utility charges based on current rates in electricity and/or gas costs.

- 3.3 **Copay Option:** In order to qualify a project that is not cost effective for the Program, customers may agree to pay the portion of a project’s cost that prevents it from qualifying for the Program as an upfront payment to the contractor. The utility will assume no responsibility for such upfront payments to the contractor.

- 3.4 **Cost Effectiveness Analysis Fee:** If the cost of the cost-effectiveness analysis exceeds the value to the utility of upgrades accepted by customers for installation based on the Utility Cost test, the utility will recover from participants the portion of the cost for the analysis that is greater than the value of the upgrades to the utility. The utility will not recover costs for the analysis if the Energy Efficiency Plan concludes that proposed upgrades are cost effective only with a copay. The utility will recover all of its costs for the analysis at a location from a customer who declines to install upgrades identified in an Energy Efficiency Plan that do not require a copayment. Customer costs for analyses, if any, will be recovered from participants by rolling them into Service Charges as described in Section 7, unless the customer does not sign an Efficiency Upgrade Agreement in which case the charges will appear on the next monthly bill.

- 3.5 **Existing Buildings:** Projects that address upgrades to existing buildings deemed unlikely to be habitable or to serve their intended purpose for the duration of utility cost recovery will not be approved unless other funding can effect necessary repairs. If a building is a manufactured home, to be eligible it must be built on a permanent foundation and fabricated after 1982.

- 4 **Approved Program Operator:** Utility may operate the program directly with its own staff resources or hire an experienced program operator to implement the program.

- 5 **Approved Contractor:** Should the customer determine to proceed with implementing The Plan, the utility or its program operator shall determine the appropriate monthly Service Charge as described below. The customer shall sign the Agreement and select a contractor from the utility’s list of approved contractors.

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KENTUCKY UTILITIES COMPANY

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<p>PAY AS YOU SAVE® ON-BILL PROGRAM (PAYS®)</p>

- 6 **Quality Assurance:** When the energy efficiency upgrades are completed, the contractor shall be paid by the utility, following on-site or telephone inspection and approval of the installation by the utility or its program operator.

- 7 **Program Services Charge:** The utility will recover the costs for its investments including any fees as allowed in this tariff through monthly Service Charges assigned to the location where upgrades are installed to be paid by customers occupying that location until all utility costs have been recovered. Service Charges will be set for a duration not to exceed 80% of estimated life of the upgrades or the length of a full parts and labor warranty, whichever is greater and in no case longer than twelve years. The Service Charges and duration of payments will be included in the Efficiency Upgrade Agreement.

- 7.1 **Cost Recovery:** No sooner than 45 days after approval by the utility or its program operator, the customer shall be billed the monthly Service Charge as determined by the utility. The utility will bill and collect Service Charges until cost recovery is complete except in cases discussed in Section 8. Prepayment of unbilled charges will not be permitted to facilitate installed upgrades remaining and continuing to function at the location for at least the duration of cost recovery.

- 7.2 **Eligible Upgrades:** All upgrades must have Energy Star certification, if applicable or must be a commission approved energy efficiency incentive program. The utility may seek to negotiate with contractors or upgrade suppliers extended warranties to minimize the risk of upgrade failure on behalf of all customers and prices (e.g., per square foot) to assure the lowest possible cost for all projects.

- 7.3 **Ownership of Upgrades:** During the duration that Services Charges are billed to customers at locations where upgrades have been installed, the utility will retain ownership of the upgrades. At the termination of Services Charges, ownership will be transferred to the building owner.

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PAY AS YOU SAVE® ON-BILL PROGRAM
(PAYS®)

- 7.4 **Maintenance of Upgrades:** Participating customers and building owners (if the customer is not the building owner) must agree, when signing the Efficiency Upgrade Agreement or the Owner Agreement, to keep the upgrades in place for the duration of Service Charges, to maintain the upgrades per manufacturers' instructions, and report the failure of any upgrades to the Program Operator or utility as soon as possible. If the upgrade fails, the utility is responsible for determining its cause and for repairing the equipment in a timely manner as long as the owner, customer or occupants did not damage the upgrades, in which case they will reimburse the Utility as described in Section 8.
- 7.5 **Termination of Service Charge:** Once the utility's costs for upgrades at a location have been recovered, including its cost of capital, the cost paid to the contractor to perform the work, costs for any repairs made to the upgrades as described in Section 8 the monthly Service Charge shall no longer be billed, except as described in Sections 7.7 and 8.
- 7.6 **Vacancy:** If a location at which upgrades have been installed becomes vacant for any reason and electric service is disconnected, Service Charges will be suspended until a successor customer takes occupancy. If a building owner maintains electric service at the location, the building owner will be billed Service Charges as part of any charges it incurs while electric service is turned on.
- 7.7 **Extension of Program Charge:** If the monthly Service Charge is reduced or suspended for any reason, once repairs have been successfully effected or service reconnected, the number of total monthly payments shall be extended until the Service Charges collected equal the utility's cost for installation as described in Section 7, including costs associated with repairs, deferred payments, and missed payments as long as the current occupant is still benefitting from the upgrades.
- 7.8 **Tied to the Location:** Until cost recovery for upgrades at a location is complete or the upgrades fail as described in Section 8, the terms of this tariff shall be binding on the metered structure and any future customer who shall receive service at that location.

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PAY AS YOU SAVE® ON-BILL PROGRAM
(PAYS®)

7.9 **Disconnection for Non-Payment:** Without regard to any other Commission or utility rules or policies, the Service Charges shall be considered as an essential part of the customer’s bill for electric service, and the utility may disconnect the metered structure for non-payment of Service Charges under the same provisions as for any other electric service. If service is disconnected for customers on pre-paid payment plans, Service Charges will be pro-rated by the day.

8 **Repairs:** Should, at any future time during the billing of Service Charges, the utility determine that the installed Upgrades are no longer functioning as intended and that the occupant, or building owner if different, did not damage or fail to maintain the upgrades in place, the utility shall suspend the Service Charges for any failed upgrade until such time as the utility and/or its contractor can repair the upgrade. If the upgrade cannot be repaired or replaced cost effectively, the utility will waive remaining charges.

If the utility determines the occupant, or building owner if different, did damage or fail to maintain the upgrades in place as described in Section 7.4, it will seek to recover all costs associated with the installation, including any fees, incentives paid to lower project costs, and legal fees.

The Service Charges will continue until utility cost recovery is complete.

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